

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION,

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

**DECLARATION OF TIMOTHY DONOHUE IN SUPPORT OF OBJECTION OF THE
GMS GROUP, LLC TO TITLE III PLAN OF ADJUSTMENT OF PUERTO RICO
SALES TAX FINANCING CORPORATION**

TIMOTHY DONOHUE, of full age, says:

1. I am the Chief Operating Officer of The GMS Group, LLC (“GMS”).
2. GMS services the brokerage accounts of some 5,000 retail clients who own in excess of \$500 million Subordinated COFINA bonds (the “GMS Bonds”). GMS itself owns approximately \$40 million in its own proprietary accounts (the “Proprietary Bonds”). The bonds are held at Pershing LLC, a subsidiary of Bank of New York Mellon (“BNYM”), the indenture trustee under the bonds.

3. I submit this declaration in support of the objection of GMS to the Title III Plan of Adjustment Of Puerto Rico Sales Tax Financing Corporation (the “Plan”) (dkt. no. 4392). I am familiar with the facts relating to the Bonds and the Plan based upon my personal knowledge or review of GMS business records relating thereto relevant to this declaration.

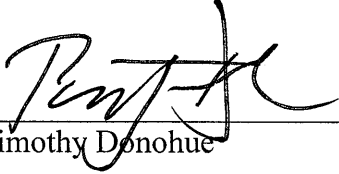
4. GMS is a business. I am personally familiar with the asset management practices and procedures of GMS with regard to holding of bonds in retail client and proprietary accounts. GMS holds such accounts in the regular course of its business and makes, in the regular course of its business, records of the acts, transactions, custody of documents, events and occurrences regarding and pertaining to the accounts it holds. In addition, GMS in holding these assets in the regular course of its business utilizes records prepared by other agents of GMS (the “Agents”). Records of such acts, transactions, custody of documents, events and occurrences are made in the regular course of the business of GMS and the other Agents, and it is the regular course of business of GMS and the Agents to make these records at the time of the acts, transactions, events and occurrences or within a reasonably prompt time thereafter.

5. Attached hereto as Exhibit A is a true and correct copy of two screen shots from the Municipal Securities Rulemaking Board’s EMMA website (<https://emma.msrb.org/>) showing bond trading prices for Senior COFINA Cusip 74529jnu5 and Junior COFINA 74529jll7 for the time periods from May 17, 2017 to December 28, 2018.

6. Attached hereto as Exhibit B is a set of true and correct copies of excerpts of reports from the Puerto Rico Department of Treasury showing when in the course of each fiscal year to which the corresponding report relates the annual sales and use tax (“SUT”) collections by the Commonwealth and COFINA reached the level of the annual COFINA pledged sales tax base amount.

I declare under penalty of perjury that the foregoing is true and correct.

Date: January 2, 2019
Livingston, New Jersey



Timothy Donohue